

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2914

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2914 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to require any government body that enters into a contract that is exempt from the state procurement code pursuant to section 103D-102(b), Hawaii Revised Statutes, to report that contract to the State Procurement Office and Legislature.

Your Committee received testimony in support of this measure from the State Procurement Office and one individual.

Your Committee finds that transparency and accountability in the procurement process is essential for establishing and maintaining public trust in government and for ensuring efficiency and reduced waste in governmental operations. Existing law exempts certain types of contracts by governmental bodies, such as contracts for procurement of services of an attorney and when procurement by competitive means would be impractical or not advantageous to the State, from the requirements of the procurement code. However, your Committee finds that even for those contracts where adherence to the procurement process would be impractical or otherwise unnecessary there should still exist transparency and oversight of those contracts. In addition, your Committee also notes testimony from the State Procurement Office



that existing administrative rules already require that the Procurement Office receive information about all state contracts exempted from the procurement code. However, your Committee finds that very few agencies across the State are abiding by the requirements that are already in place. Therefore, your Committee finds that it is necessary to codify in the procurement code the requirement that any government body entering into a contract to which the procurement code does not apply report that contract to the State Procurement Office and Legislature.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2914 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



DONNA MERCADO KIM, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* SB 2914	Committee Referral: GVO, WAM	Date: 2/13/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	X			
RUDERMAN, Russell E. (VC)	X			
GALUTERIA, Brickwood	X			
KEITH-AGARAN, Gilbert S.C.				X
RHOADS, Karl	X			
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes